

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4165
ANSWERED ON:14.12.2001
WEALTH TAX ASSESSEES
RAGHUNATH JHA

Will the Minister of FINANCE be pleased to state:

- (a) whether the number of wealth tax assessees has declined from 5.45 lakh to 2.25 lakh in 1998-99;
- (b) if so, whether this indicates that potential assessees are not disclosing their wealth for the purpose of taxation correctly evading wealth tax;
- (c) if so, the details of the number of wealth tax returns filed during the last three years, year-wise, number of returns pending disposal and wealth tax received during the last three years, year-wise; and
- (d) the reasons for decline in collection of wealth tax and the corrective steps taken or proposed to be taken by the Government to bring potential people under wealth tax net?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) Yes, Sir.

(b) The number of Wealth-tax assessees is declining progressively because of the fact that with effect from A.Y. 1993-94 only non-productive assets are being charged to wealth-tax. Investments in productive assets such as bonds, shares, securities, fixed deposits, etc. are exempt from wealth-tax. Another reason for the decline in the number of assessees is that the exemption limit for filing of wealth-tax returns has been raised to Rs.15 lakhs with effect from AY 1993-94. Consequently, smaller wealth-tax assessees have gone out of the tax net.

(c) The details are as under :-

F.Y.	1998-99	99-2000	2000-01
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No. of WT returns	81,066	69,336	59,454
No. pending disposal	38,090	59,674	50,093
W.T. collections			

(Rs.crores)	162.04	132.91	131.73
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(d) Taking an overall view of wealth-tax collections of last 6 years (as given in the Table below), it can be said that there has been no decline in the wealth tax collections as such :-

F.Y. Wealth Tax collection (figures in Rs. crores)

1995-96	74.16
1996-97	77.44
1997-98	113.03
1998-99	162.04
1999-2000	132.91
2000-2001	131.73

The Government is taking a number of steps to bring more and more people under the wealth-tax net such as :

- (i) Introduction of One by Six scheme making it compulsory for persons satisfying any one of the six economic indicators such as ownership of house, car, etc. to file their returns of income.
- (ii) Introduction of changes in the Income-tax return forms to bring on record the ownership of various assets by the assesseees.
- (iii) The possibility of having a single return form for Income-tax and Wealth-tax with a view to plug the leakage of revenue as suggested by C&AG is being examined.